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Washington State FSA Updates

Washington State FSA Office

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State Executive Director: Judy Olson

Farm Loan Chief: Mike Mykines

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Next State Committee Meeting: September 2 at 4:00pm

Dairy Producers Obtain New Risk Protection Options

The 2014 Farm Bill replaces the Milk Income Loss Contract (MILC) program with the new Margin Protection Program (MPP) for Dairy Producers in September. This new program helps dairy producers manage financial risk associated with low milk prices or high feed costs. Participating dairy producers may receive a payment when the difference (the margin) between the all-milk price and national average feed cost falls below a coverage level, selected by the dairy producer.

The MPP-Dairy offers different coverage levels. For the price of a \$100 administrative fee, producers may choose a base level of coverage. The base level is \$4.00 per cwt. and 90 percent coverage of a producer's production history.

Producers who wish to have a higher level of coverage may do so by paying the administrative fee plus a premium. The higher levels range between \$4.00 and \$8.00 per hundredweight in \$0.50 increments. Producers, who choose the premium, may also select to cover a percentage of their production history, ranging from 25 to 90 percent, in 5 percent increments. Premium costs are structured at a lower level for the first 4 million pounds of production history. The county FSA office can provide a list of premium costs for the different coverage levels.

Production history will be based on the highest annual production from calendar years 2011 through 2013. Dairies in operation less than a year will have their production established based on their production extrapolated to a yearly amount or a comparison of their production and herd size to a national rolling herd average.

For the purposes of the MPP-Dairy, a dairy operation is any one or more dairy producers that produce and market milk as a single dairy operation. A producer who operates more than one dairy operation will need to apply for the program separately for each operation.

Dairy producers may choose to participate in MPP-Dairy or the LGM-Dairy Livestock Gross Margin program, administered by the Risk Management Agency, but may not participate in both programs. A web-based decision tool to help producers compare options and decide what level of coverage to purchase is expected to be available at www.fsa.usda.gov/mpptool in early September.

The web-based tool allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, Smartphone, tablet or any other platform, 24 hours a day, seven days a week.

Producers may apply for 2014 and 2015 calendar year MPP-Dairy coverage beginning September 2, 2014 through November 28, 2014. Contact your FSA county office for more information about MPP-Dairy or the web-based decision tool.

CRP Early Out Option

USDA Washington State Farm Service Agency (FSA) Executive Director, Judy Olson, SED reminds producers that producers with acres under contract through the Conservation Reserve Program (CRP) can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015. This is the only time this option will be offered under the current Farm Bill.

No refunds are due on contracts terminated under this option. Producers can terminate all or part of a contract. The effective date for early termination is no earlier than October 1, 2014 and no later than September 30, 2015.

The CRP contract must been in effect for at least five years and other conditions must be met. Only certain general CRP practices are eligible. The 2014 Farm Bill identifies 10 exceptions whereby land will not be eligible for the early-out provisions. For a complete list of these exceptions, please view the program fact sheet online at:

"Once a CRP contract termination request is approved by the FSA County Committee, the decision cannot be reversed and the contract cannot be reinstated," said Judy Olson, SED. "Likewise, producers must meet

http://www.fsa.usda.gov/Internet/FSA File/crp opt out fact sht.pdf.

conservation compliance provisions for all land that will be returned to production."

For more information on or to determine eligibility for early termination of existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: http://offices.sc.egov.usda.gov/locator/app.

Producers interested in obtaining 2015 coverage for non-insurable crops should submit thier application and fees by the following dates:

- 5/1/14 Ornamental nursery
- 9/02/14 Artichokes; aquaculture; beets (for stecklings); cabbage (for seed or fresh); canola; carrots (for seed); cauliflower (for seed or fresh); Christmas trees; floriculture; mushrooms; onions (for seed, fresh or processing); rapeseed; rutabaga (for seed or fresh); turf grass sod; turnips (for seed or fresh); and any other fall planted crops not mentioned in other closing dates.
- 9/30/14 Garlic; mint; perennial grazing, forage, mixed forage and forage seed crops; wheat.
- 11/20/14 All perennial crops not listed under the 9/30 category; asparagus; berries; grapes; honey; hops; tree fruits and nuts.
- 3/15/15 Beets (for seed or fresh); buckwheat; camelina; carrots (for fresh or processing); mustard; radish (for seed or fresh); small grain forages (wheat, barley, oats, peas); and any other spring planted crops not mentioned in other closing dates.

NAP coverage should be purchased at least 30 days before the crop is planted, but no later than the application closing date.

NAP coverage cannot be offered on any crop for which Federal Crop Insurance is available in the county. If you have questions regarding NAP availability or NAP application closing dates, please contact your <u>FSA county</u> office for more information.

FSA Reminds Producers to Report Losses or Damage

Due to recent drought conditions and damaging wildfires, FSA reminds farmers and ranchers to report crop damage, livestock losses, and any other agricultural losses due to natural disasters to their local FSA office. FSA uses this information to request disaster designations and determine eligibility for disaster relief programs. Producers interested in more information on resources available for disaster relief may contact their FSA county office.

Date Extension for 2014 Farm Structure Changes

The deadline to finalize your 2014 farm structure for all programs has been extended to September 26, 2014. Future 2014 Farm Bill programs will look at the 2014 farm structure for eligibility and other requirements, so any changes or updates must be made before the extended deadline to be valid. Even though the new Agriculture Risk Coverage/Price Loss Coverage (ARC/PLC) signup will not occur until this winter, changes to your farm's make up, such as adding or dropping land, must be reported to FSA by September 26 to be effective for 2014 and the ARC and PLC decisions you will make later this year.

Please do not wait until the last day to notify your county office about 2014 changes. Many of these changes can take several days to complete. These can include changes in: farm structure, leases, deaths, land ownership and/or address. Updating records in a timely manner can help ensure all required participants appear on documents requiring signatures and prevent payment delays. A copy of the applicable recorded deed should be provided to complete any land ownership changes.

Base Reallocation for Average Revenue Coverage and Price Loss Coverage (ARC/PLC)

Each owner and operator with an established base should have received a letter with the farm's base acres, counter-cyclical yields, and planted and considered planted (P&CP) covered commodities on the farm for each year 2008 – 2012. Please review the letter for accuracy, as not all the information may be complete. If you had a farm where a tract combination or tract division occurred, the information prior to that will not be complete.

County offices are researching those cases now to update your records. Contact your <u>FSA county office</u> if you have not received a letter, or your letter contains incomplete or inaccurate information.

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If you have questions about FSA activities, please view our <u>Frequently Asked Questions</u> page or you may also <u>Search</u> our web site. These features are designed to assist you in obtaining the information you are seeking.

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